



County Engineers Association of Ohio

Ohio Senate Finance

John Olivieri, Executive Director
Proponent Testimony – SJR 4
November 12, 2024

Chairman Dolan, Ranking Minority Member Sykes and members of the Senate Finance Committee – My name is John Olivieri and I am the new Executive Director for County Engineers Association of Ohio. I stand before you in support of SJR 4, a constitutional amendment to extend the State Capital Improvement Program with the issuance of an additional \$2.5 billion of general obligation bonds to fund local infrastructure capital improvements.

Ohio Public Works Commission bonds, issued by local governments, are typically used to finance infrastructure projects limited to roads and bridges, water collection, storage and supply systems, and treatment facilities, storm water and sanitary sewer systems, wastewater treatment systems, and solid waste disposal facilities.

For Ohio's County Engineers, these bonds allow local governments to raise much needed capital for crucial public works projects, helping improve and maintain roads and small bridges, essential to our communities, both large and small.

These public works projects are usually funded by a mix of local taxes, bonds and state and federal grants. Bond financing spreads the cost of large infrastructure projects over the life of the bond, meaning taxpayers aren't burdened with the sticker shock of paying the total cost of the project, up-front. This program has proven to be a more palatable way to afford the high cost of larger, but much needed infrastructure projects that would otherwise negate the possibility of maintaining already tight budgets. Additionally, the amortized bond payment system more readily aligns with the lifespan of these types of projects.

Unfortunately, inflation has had far-reaching effects on infrastructure development, maintenance, and public budgets over the past decade. Escalating project costs have made projects more costly, with prices rising for essential materials like steel, asphalt, concrete, and fuel. Budgeted funds cover fewer miles of roadway or bridge structures than ever before, causing projects to exceed initial estimates and stretching available funds, resulting in County Engineers, across Ohio, seeing delayed or scaled-back projects.

Accordingly, the CEAO strongly supports the additional \$50 million per year in this renewal to offset the ever-rising inflation costs in construction.

I speak to you from firsthand, personal experience. I coauthored a proposal for a High Traffic Commerce Route Pavement Improvement Plan during for the original SCIP. The proposal was ultimately approved, and it was truly a Godsend for our County. At the time, it was our County's first attempt at securing this new type of assistance, and in fact, it proved a turning point in how we could address the mounting needs of our aging infrastructure system on limited funds. It offered a much welcomed, additional 'arrow in the quiver' of finance tools at our disposal.

In summation, SJR 4 is a necessity for local governments to issue bonds to raise capital specifically for infrastructure repairs, including such things as landslide repair projects, or "slips". Bond revenues allow governments to finance large-scale or urgent repairs and are repaid over time with public funds.